



# Completion Report

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**PUBLIC**

Project Number: 54188-001  
Loan Numbers: 3940, 3941  
October 2022

## Kazakhstan: COVID-19 Active Response and Expenditure Support Program

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Asian Development Bank



## CURRENCY EQUIVALENTS

Currency unit – tenge (T)

		<b>At Approval</b>	<b>At Program Completion</b>
		25 June 2020	31 December 2021
T1.00	=	\$0.002489	\$0.002302
\$1.00	=	T401.690000	T434.440000

## ABBREVIATIONS

ADB	–	Asian Development Bank
AIIB	–	Asian Infrastructure Investment Bank
COVID-19	–	coronavirus disease
CPRO	–	COVID-19 Pandemic Response Option
DMC	–	developing member country
DMF	–	design and monitoring framework
GDP	–	gross domestic product
IMF	–	International Monetary Fund
SME	–	small and medium-sized enterprise

## NOTE

In this report, “\$” refers to United States dollars.

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## BASIC DATA

### A. Program Identification

1.	Program number and title	54188-001 COVID-19 Active Response and Expenditure Support Program
2.	Mode of financial assistance	COVID-19 Pandemic Response Option
3.	Country	Kazakhstan
4.	Borrower	Government of Kazakhstan
5.	Executing agency	Ministry of Finance
6.	Product	Loan

Item	Approval Number	Financing Amount (\$ million)	Financing Source	Product Modality and Nature of Activities
Loan	3940	500.0	ordinary capital resources	COVID-19 Pandemic Response Option
Loan	3941	500.0	ordinary capital resources	COVID-19 Pandemic Response Option
<b>Program Total</b>		<b>1,000.0</b>		

COVID-19 = coronavirus disease.

### B. Milestone Dates by Product

Item	3940	3941
Approval of concept clearance		
– Date started	N/A	N/A
– Date completed	N/A	N/A
Fact-finding mission		
– Date started	2 Apr 2020	2 Apr 2020
– Date completed	8 May 2020	8 May 2020
Loan negotiations		
– Date started	1 Jun 2020	1 Jun 2020
– Date completed	1 Jun 2020	1 Jun 2020
Date of Board approval	25 Jun 2020	25 Jun 2020
Date of loan agreement	25 Aug 2020	25 Aug 2020
Date of loan effectiveness		
– In loan agreement	23 Nov 2020	23 Nov 2020
– Actual	22 Dec 2020	22 Dec 2020
– Number of extensions	1	1
Program completion date		
– At approval	31 Dec 2021	31 Dec 2021
– Actual	31 Dec 2021	31 Dec 2021
Loan closing date		
– In loan agreement at approval	31 Dec 2021	31 Dec 2021
– Latest revised	31 Dec 2021	31 Dec 2021
– Number of extensions	0	0
Financial closing date	31 Dec 2021	31 Dec 2021

## C. Program Cost and Financing

### 1. Program cost (€ million)

Cost	Estimate at Approval		Actual	
	3940	3941	3940	3941
Foreign exchange cost				
Local currency cost	454.3	454.3	454.3	454.3
<b>Total</b>	<b>454.3</b>	<b>454.3</b>	<b>454.3</b>	<b>454.3</b>

### 2. Financing plan and actual (€ million)

Cost	Estimate at Approval		Actual	
	3940	3941	3940	3941
Implementation cost	454.3	454.3	454.3	454.3
Borrower financed				
Asian Development Bank financed	454.3	454.3	454.3	454.3
Other external financing				
<b>Total implementation cost</b>	<b>454.3</b>	<b>454.3</b>	<b>454.3</b>	<b>454.3</b>

### 3. Disbursements

#### a. Disbursement dates by product

	First Disbursement	First Disbursement, Excluding Capitalization	Final Disbursement
Loan 3940	24 Dec 2020	24 Dec 2020	24 Dec 2020
Loan 3941	24 Dec 2020	24 Dec 2020	24 Dec 2020

#### b. Loan disbursed amount (€ million)

Category	Original Allocation (1)	Increased/ (Decreased) during Implementation (2)	Cancelled during Implementation (3)	Last Revised Allocation (4=1+2-3)	Amount Disbursed (5)	Undisbursed Balance (6=4-5)
Loan 3940						
7501	454.3			454.3	454.3	0
Loan 3941						
7501	454.3			454.3	454.3	0
<b>Total</b>	<b>908.6</b>			<b>908.6</b>	<b>908.6</b>	<b>0</b>
<b>\$ equivalent</b>	<b>1,114.6</b>			<b>1,114.6</b>	<b>1,114.6</b>	<b>0</b>

Category 7501 description: COVID-19 Active Response and Expenditure Support

### 4. Terms of loan by product

	<u>Loan 3940</u>	<u>Loan 3941</u>
– Interest rate	Euribor + 0.60% less 0.10%	Euribor + 0.60% less 0.10%
– Maturity (number of years)	10	5
– Grace period (number of years)	3	3

## D. Program Implementation

### 1. Program Schedule – Not Applicable

### 2. Program Implementation Indicators – Not Applicable



### 3. Asian Development Bank Missions

Name of Mission	Date	No. of Persons	No. of Person-Days	Specialization of Members <sup>a</sup>	Virtual Mission (Yes/No)
Fact-Finding	2 April–8 May 2020	4	16	a,b,c,d	Yes

<sup>a</sup> a = senior financial sector economist, b = country specialist, c = associate project officer, d = financial sector economist.



## I. PROGRAM DESIGN AND IMPLEMENTATION

### A. Rationale

1. On 30 January 2020, the World Health Organization declared coronavirus disease (COVID-19) to be a "public health emergency of international concern" and on 11 March 2020, declared it a pandemic.<sup>1</sup> Like most countries, COVID-19 severely impacted Kazakhstan's economy, resulting in a severe economic crisis in 2020. The effects of the pandemic and immediate measures by the government to stop its spread resulted in substantial employment and income losses and wage reductions for affected families. The negative effects of the pandemic disproportionately affected groups that were already poor and vulnerable, pushing more people back into poverty or further into poverty.

2. In response to the health and economic crisis triggered by COVID-19, the Government of Kazakhstan prepared a \$13 billion anti-crisis plan, which was approved in March–April 2020.<sup>2</sup> It contained a health policy response (\$338.4 million); targeted measures to protect employment and the most vulnerable segments of the population, including women (\$7.18 billion); and economic stimulus measures (\$5.97 billion). The plan totaled 8–9% of gross domestic product (GDP).

3. To support the government's anti-crisis plan, the Asian Development Bank (ADB) responded with a comprehensive package, employing a range of existing and new products and services. ADB approved the COVID-19 Active Response and Expenditure Support (CARES) Program to respond to the government's specific request for urgent budget support to provide the fiscal space needed to act quickly and finance additional critical expenditures. Such expenditures were aimed at controlling the spread of COVID-19 and mitigating its immediate negative economic and social effects. The program was consistent with ADB's Strategy 2030 and was strongly aligned with the overarching development objective of reducing COVID-19 transmission while minimizing economic, public, and social impacts.<sup>3</sup> ADB approved a \$1 billion loan under its Countercyclical Support Facility COVID-19 Pandemic Response Option (CPRO) on 25 June 2020. The loan became effective on 22 December 2020, with a closing date of 31 December 2021.

4. No changes were made to the program design during implementation or at completion. The program followed the objectives of the modality. The CPRO policy aimed to provide general budget support to ADB's developing member countries (DMCs) that needed to mount a countercyclical response following the economic shock and subsequent decline in aggregate demand as businesses closed, jobs were lost, and incomes were reduced.<sup>4</sup> In line with this policy, ADB assessed the government's request for general budget support against its eligibility for CPRO support based on the six access criteria (paras. 5–10).

5. **Criterion 1: Adverse Impact of Exogenous Shocks.** The pandemic caused health costs to rise, and the lockdown disrupted businesses and employment. Export revenues fell because

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<sup>1</sup> World Health Organization. 2020. ["WHO Director-General's opening remarks at the media briefing on COVID-19 – 11 March 2020"](#) (accessed 11 July 2022)

<sup>2</sup> The government's policy responses are summarized in [Kazakhstan COVID Country Responses updated.pdf \(unescap.org\)](#).

<sup>3</sup> ADB. 2018. Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific. Manila. The program was also designed to mitigate an increase in poverty caused by the pandemic and to help ensure gender equality, in line with Strategy 2030's Operational Priorities.

<sup>4</sup> ADB. 2020. *ADB's Comprehensive Response to the COVID-19 Pandemic*. Manila.

of the significant oil price slump. The downside pressure on the quality of bank assets constrained the provision of new liquidity to micro, small, and medium-sized enterprises. During program processing, the depth of the economic recession in 2020 was projected to be between 0.9% and 2.4%. However, real GDP declined by 2.6% in 2020.

6. **Criterion 2: Countercyclical Development Expenditures.** The adverse health and economic impacts of the pandemic required the government to adopt a \$13 billion countercyclical response package to undertake the needed health interventions and support businesses and employment (para. 2).

7. **Criterion 3: Pre-shock Record of Sound Macroeconomic Management.** Kazakhstan has followed a credible fiscal management policy. Its public financial management systems are reliable and well tested.<sup>5</sup> Macroeconomic management prior to the shock was sound and GDP growth averaged 4% per annum from 2011 to 2019.

8. **Criterion 4: Structural Reforms (Health Sector Response to the Pandemic).** Kazakhstan implemented comprehensive health response measures, including building the capacity of the health care system to cope with worst-case hospitalization scenarios and adopting strict quarantine and lockdown measures.

9. **Criterion 5: Debt Sustainability.** Kazakhstan's public sector debt remains sustainable for the foreseeable future.<sup>6</sup> Its debt-to-GDP ratio increased from 19.9% in 2019 to 26.4% in 2020. It is estimated to increase to 27.6% at the end of 2022 and 37.7% in 2027.<sup>7</sup> An estimated 60% of the debt in 2027 will be denominated in local currency, and almost all the debt will be medium- or long-term.

10. **Criterion 6: Coordination with the International Monetary Fund (IMF).** ADB and the IMF agreed on the appropriateness of the government's anti-crisis plan. The IMF updated its debt sustainability analysis for the government and provided an assessment letter to ADB that described its consultations with the government.<sup>8</sup>

## **B. Program Impact, Outcome, and Output**

11. The overarching development objective of the program was adverse impacts of COVID-19 on the population's health, incomes, and economic opportunities mitigated. Consistent with ADB's CPRO policy, the program was designed to provide budgetary support to fill gaps in the government's overall financing needs, thereby better positioning Kazakhstan to implement the countercyclical development spending under its pandemic (anti-crisis) response plan. The program's design and monitoring framework (DMF, Appendix 1) focused on the pro-poor health and fiscal stimulus elements of the government's pandemic response plan. These were critical from a development perspective and complementary to macroeconomic stabilization.

<sup>5</sup> ADB. 2017. *Kazakhstan Republic: Country Governance Risk Assessment*. Manila; [Assessments | Public Expenditure and Financial Accountability \(PEFA\)](#).

<sup>6</sup> ADB. 2020. *Report and Recommendation of the President to the Board of Directors on the Proposed Loan to the Government of Kazakhstan for the COVID-19 Active Response and Expenditure Support Program*. Manila, Debt Sustainability Analysis (linked document 7), para. 1.

<sup>7</sup> IMF. 2022. *Government of Kazakhstan: Article IV Consultation*. Country Report No. 22/113. Washington, DC.

<sup>8</sup> ADB. 2020. *Report and Recommendation of the President to the Board of Directors on the Proposed Loan to the Government of Kazakhstan for the COVID-19 Active Response and Expenditure Support Program*. Manila, International Monetary Fund Assessment Letter (linked document 3).

12. **Outcome.** The envisaged outcome of the program was the spread of COVID-19 managed and the spread of poverty contained. Two of the four outcome performance indicators were achieved, one was substantially achieved, and one was not achieved. First, the doubling rate of COVID-19 confirmed cases was 124 days against the target of at least 30 days by December 2020, i.e., more than four times higher than the target indicator. Second, in 2021 independent growth forecasts for 2022 reached pre-crisis levels (4%). Third, by 2020, 2,086,688 beneficiaries (or 95% of the 2.2 million poor, of which 51% were women and girls) had benefited from more than one special support initiative of the program against the target indicator of 90%. The indicator was substantially achieved. Although it was not possible to ascertain the percentage of women and girl beneficiaries within the 2,086,688 total beneficiaries, that at least half were women can be extrapolated from data in 2020 wherein women constituted 53% of targeted social assistance recipients, 53% of registered unemployed receiving unemployment benefits, 44% receiving disability benefits, and 69% of pensioners. The indicator that was not achieved was the estimated poverty rate in 2021, which was 12.4% against the target of less than 10%. The outcome was supported by three interrelated outputs.

13. **Output 1. Immediate COVID-19 health response implemented.** All four performance indicators for output 1 were achieved. First, properly-sized personal protective equipment for health workers in the COVID-19 frontline became and remained available in 2020. Second, health care for COVID-19-related hospitalization and medication remained free of charge for all citizens during 2020. Third, by the end of 2020, more than 5 million people were tested for COVID-19, which exceeded the target of 1.5 million by more than three times. The fourth indicator—that at least 55% of the 2020 bonuses to health professionals in the COVID-19 frontline would go to women—is assessed as achieved. The government paid wage supplements amounting to T116 billion to health professionals of whom 73% are women. Ministry of Health confirmed that there were no reported cases of dissatisfaction with the availability, quality, and size of the PPE provided to health workers by the government (See Footnote 12).

14. **Output 2. Social protection and employment protection measures implemented.** All five performance indicators for output 2 were achieved. First, income tax incentives were provided to 1.3 million people, of whom 59% were women, against the target of providing tax incentives to workers in the service sectors most affected by the lockdown at least 53% of whom would be women. Second, tax incentives or other types of support were provided to more than 1.4 million entities and individual entrepreneurs.<sup>9</sup> All small and medium-sized enterprises (SMEs), including women-owned and/or managed SMEs, were provided with tax incentives or support.<sup>10</sup> Third, food packages were delivered to 1,133,415 socially vulnerable citizens by December 2020 against a target of at least 1.1 million. Fourth, 4.6 million people who lost income because of the state of the emergency (including 51.6% women) received T42,500 at least once in 2020 against a target of 4.5 million people receiving financial assistance of close to \$100 in 2020. Fifth, 184,000 vulnerable households (with 53% female members) received increased social payments against a target of 160,000 households (with at least 50% female members).

15. **Output 3. Economic stimulus delivered.** Of the three performance indicators for this output, one was fully achieved, one was substantially achieved, and one was not achieved. The first indicator, that the planned volume of fiscal and quasi-fiscal measures for 2020 would total 8%–9% of GDP, was achieved, as these measures totaled 8.5% of GDP in 2020. The second

<sup>9</sup> The various types of support are listed under Program Achievements for Performance Indicator 2.2 in the DMF (Appendix 1).

<sup>10</sup> The performance indicator did not have any quantitative target for entities and individual entrepreneurs, but it did require that at least 42% of them be owned or managed by women. In 2020, 43% of all SMEs were owned or managed by women.

indicator, that the percentage of individual entrepreneurs benefiting from program-supported tax and credit initiatives in 2020 would be at least 80% with at least 52% women, was substantially achieved as 89.2% individual entrepreneurs benefited but only 47% of these were women. The third indicator was not achieved because in 2020 the housing finance program covered only 51,419 borrowers (59% women) against the target indicator of covering 120,000 borrowers in 2020 (of whom at least 60% would be women). The 120,000 target was not met because of delays in the delivery of new housing by construction companies engaged in the housing program. These delays were associated with the introduction of restrictions stemming from the pandemic.

### **C. Program Costs and Financing**

16. The CPRO loans of \$1 billion were equivalent to 0.6% of nominal GDP for 2020. They constituted 7.4% of the government's total COVID-19 response package of \$13.488 billion at the time of CPRO approval. Kazakhstan availed of the full amount available under ADB's CPRO policy.<sup>11</sup> The Asian Infrastructure Investment Bank (AIIB) also provided collaborative cofinancing of \$750 million to support the program.

### **D. Disbursements**

17. The appraisal disbursement schedule was realistic at the time of project effectiveness, given that there was no significant gap between projected and actual disbursements. The two loans, totaling €908.60 million (\$1.11 billion equivalent on the date of disbursement), became effective after the conditions for their release set out by ADB in the loan agreements had been complied with. The loans were fully disbursed on 24 December 2020. The government implemented its program efficiently.

### **E. Poverty, Social, and Gender Equality**

18. The program had two key poverty indicators: (i) the 2021 poverty rate would be less than 10%; and (ii) by 2020, at least 90% of the 2.2 million poor would benefit from more than one special support initiative of the program. On the poverty rate, the estimated poverty rate was 12.4%, as measured by the proportion of the population with purchasing power of less than \$5.50 per day. On the poor benefiting from special support initiatives, the government reported that 2,086,688 people (95% of 2.2 million) had benefited from the state support programs, including employment support and payments to disabled people. The program also had key social benefits, including free health care for COVID-19 hospitalization and medication during 2020, as well as the testing of at least 1,500,000 people for COVID-19 by December 2020.

19. The program was categorized as *effective gender mainstreaming*, with gender targets monitored through a gender monitoring matrix (Appendix 4). The matrix included eight targets at the output level, of which seven (88%) were achieved. The program is classified as *successful* for gender equality results. All three key anti-poverty gender targets were achieved. First, financial assistance was provided to 4.6 million people (52% women), compared to a target of 4.5 million people (50% women). Second, income tax incentives were provided to 1.3 million workers (59% women, compared to a target of at least 50%) in the service sectors most affected by the lockdown. Third, increased social payments were paid to over 184,000 vulnerable households, comprising 936,000 people including 496,000 women (53%, compared to a target of at least 50%).

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<sup>11</sup> ADB. 2020. *ADB's Comprehensive Response to the COVID-19 Pandemic*. Manila.

## F. Monitoring and Reporting

20. Monitoring and reporting arrangements were satisfactory and generally adequate. An independent, third-party nationwide survey was undertaken under the ADB-GOK financed KEEP to assess the beneficiary outreach and targeting efficiency of GOK's fiscal responses; and conduct independent assessments of specific DMF outputs and GMM indicators.<sup>12</sup> No reform action or loan covenant was modified, suspended, or waived. The borrower complied with all covenants in the loan agreements (Appendix 5). The government and ADB agreed on the DMF target indicators to support effective implementation of Kazakhstan's COVID-19 response plan. The government also kept the ADB Kazakhstan Resident Mission informed on program implementation progress and any issues. ADB provided technical assistance through consultant support to help the government with the monitoring, assessment, and reporting to ADB and other development partners on the COVID-19 pandemic response measures.<sup>13</sup>

## II. EVALUATION OF PERFORMANCE

### A. Relevance

21. The program is rated *highly relevant*.<sup>14</sup> ADB's support through the CPRO program was timely. ADB initiated discussions with the Government of Kazakhstan in March 2020 to introduce the modality and explain how it could help the government undertake critically needed health expenditures and a fiscal stimulus to better manage the immediate health, economic, and financial shocks created by the rapidly unfolding COVID-19 pandemic. The pandemic risked overwhelming the health care system, contracting the economy, and increasing social and economic inequalities. The government needed to make an urgent emergency response to mitigate and manage the pandemic's negative effects in the short term. The response would also buy time for the transition to more systemic social and economic assistance measures for the medium and long term and build the capacity of the system to respond to such crises in the future. The CPRO was unique in that it provided timely and untied emergency budget support and was prepared in

<sup>12</sup> In 2013, the Government of Kazakhstan (GOK) and ADB launched a joint Knowledge and Experience Exchange Program (KEEP) to expand their partnership in supporting demand-driven and cutting-edge knowledge products, and capacity development. As per the GOK-ADB memorandum of understanding (for KEEP), ADB and GOK co-finance equally the cost of each activity under KEEP. Phase 4 of KEEP was approved on 25 November 2020 (TA 6623-KAZ). ADB. 2020. *Technical Assistance to Kazakhstan for Joint Government of Kazakhstan and the Asian Development Bank Knowledge and Experience Exchange Program, Phase 4*. Manila. <https://www.adb.org/projects/documents/kaz-54093-001-tar>. In line with the TA outcome (i.e., *state development initiatives relying on enhanced capacity and evidence-based practice effectively implemented*), Sange Research Center (Sange) was engaged to support the monitoring and implementation of the KAZ CARES program (Footnote 11). Specifically, the survey firm was tasked to (i) assess the beneficiary outreach and targeting efficiency of GOK's fiscal responses; and (ii) conduct independent assessments of specific DMF outputs and GMM indicators. For purposes of assessing achievement, the results presented in the survey are used as proxy indicator for estimating distribution between men and women. The sample error was  $\pm 2.6\%$  with a confidence interval of 95% and a maximum uncertainty of 50:50, indicating that the data were representative.

<sup>13</sup> ADB. 2018. *Technical Assistance to the Government of Kazakhstan for Improving Public Debt Management*. Manila.

<sup>14</sup> As per the guidance note of PCRs for CPROs, a highly relevant rating may be given if (i) there was a clear need for emergency budget support to help the DMC facilitate critically needed fiscal stimulus in the crisis context (re: CPRO access criterion 1); (ii) ADB's response to the government's request for support was timely; (iii) The CPRO design was appropriate for achieving its intended outcome in-line with ADB's CPRO policy; namely, (a) DMC met the 6 CPRO eligibility criteria based on a competent diagnostic analysis to verify this, (b) the DMF was well prepared given the crisis context; (c) for CPROs rated effective gender mainstreaming (EGM)—gender actions effectively mitigated the pandemic's socio-economic effects on women and girls, referring to the CPRO's gender achievement rating (re: CPRO access criteria 2 and 4); and, (d) the CPRO design had additional notable features, e.g., support via CPRO has prompted policy reforms to improve readiness or build capacities for effective crisis response in the future; and, (iv) ADB's support was coherent and harmonized with other development partners (re: CPRO access criterion 6).

close collaboration with the government. Kazakhstan met the six access criteria outlined in ADB's CPRO policy (paras. 5–10).

22. The DMF of the program was relevant. The target outputs (results chain) and performance indicators of the DMF were closely aligned with the main components of the government's crisis response plan. The DMF identified the expected effects of these measures, based on the information and data available during CPRO preparation, and outlined the type of information that ADB expected the government to monitor and report. In consultation with the government, ADB identified meaningful yet realistic indicators and targets for which data would be available, considering the emergency. The program's gender design effectively mitigated the pandemic's socioeconomic effects on women and girls.

## **B. Effectiveness**

23. The program is rated *effective*. The program helped Kazakhstan undertake (i) immediate health interventions to boost the capacity of the health care system to treat COVID-19 patients and (ii) countercyclical fiscal stimulus measures to soften the economic impact of the crisis. The countercyclical expenditures undertaken were timely and aligned with the objective of the program. Except for output 3.3, the planned support reached the intended beneficiaries, including the poor and vulnerable, SMEs, and persons suffering from COVID-19. ADB also provided technical assistance for monitoring and evaluation of program achievements and was successful in catalyzing \$750 million in cofinancing from the AIIB.

24. There are indications that the government's response program helped contain poverty. One of the two poverty-related outcome indicators was achieved: 95% of the poor benefited from more than one special support initiative of the program. However, the poverty rate of 12.4% for 2021 exceeded the target of less than 10%. The indicator on combating the spread of COVID-19 was also achieved.

25. Ten out of 12 output targets were fully achieved, one was substantially achieved, and one was not achieved. All four health-related indicators were achieved (para. 13) and all five social protection and employment protection measures were achieved (para. 14). Of the three economic stimulus indicators, one was achieved, one was substantially achieved, and one was not achieved (para. 15). The three outcomes related to COVID-19 and the poor can be reasonably attributed to program interventions, while the outcome related to GDP growth is more reasonably attributed to exogenous factors such as the increase in the prices of exported commodities.

26. The program was classified as *effective gender mainstreaming*. Seven of the eight gender indicators were achieved (Appendix 4). Critically, however, all four social protection and employment recovery measures were implemented. Tax incentives were provided to more than 500,000 women-led SMEs, more than 500,000 women individual entrepreneurs, and more than 750,000 women working in the service sectors most affected by the lockdown. More than 2.3 million women received direct financial assistance, while 496,100 women received increased social assistance.

## **C. Efficiency**

27. The CPRO was *efficient*. ADB rapidly responded to the government's request for assistance received on 18 March 2020, using ADB's fast-track business process guided by a One ADB team. The CPRO was approved by ADB's Board of Directors 98 days later, on 25 June 2020, and committed 60 days after approval on 25 August 2020. Disbursement occurred 119



days after commitment on 22 December 2020, which was only 12 days after the Kazakh Parliament approved the loan.<sup>15</sup> The CPRO also served as an efficient resource mobilization tool by facilitating an additional \$750 million in cofinancing from the AIIB. The government implemented its program of countercyclical expenditures promptly and effectively.

#### **D. Sustainability**

28. No rating is assigned for sustainability. Sustainability focuses on the extent to which the net benefits of the intervention continue or are likely to continue. As outlined in the CPRO policy, rather than medium-term structural reforms, the objective of CPROs is to help DMCs finance urgent measures to address the effects of the pandemic.<sup>16</sup> This is consistent with the literature on emergency budget support, which outlines the “three Ts” of a good stimulus package: timely, targeted, and temporary. By design, most of the actions or reforms in the government’s program were not designed to be sustained beyond the crisis, nor is there an expectation that their benefits will be. Therefore, it is neither applicable nor appropriate to include sustainability as a basis for assessing the program’s overall success. However, it is likely that the government will be able to sustain relevant parts of its expenditure program, especially the support needed to mitigate the continuing effects of the pandemic on poor and vulnerable groups, including women and girls.

#### **E. Development Impact**

29. The pandemic and implementation of the government’s crisis response program started about two and a half years ago. At this stage, i.e., September 2022, only initial estimates of the development impact of the government’s expenditure program can be made. The latest projections indicate that Kazakhstan is committed to the implementation of the 2030 Agenda for Sustainable Development. In 2021, Kazakhstan ranked 59<sup>th</sup> out of 165 countries in the SDG Index.<sup>17</sup> The government’s COVID-19 response measures helped limit some of the worst effects of the pandemic on the country’s efforts to achieve its Sustainable Development Goal targets. In particular, the measures helped to limit mass unemployment and sustain vital social protection programs, especially for the most vulnerable and poor people in the country. The fiscal support measures also helped moderate some of the effects of the contraction of household consumption during the crisis, and partially mitigated the pandemic’s impacts on the overall economy. The government’s program is expected to contribute to achieving ADB’s Strategy 2030 operational priorities of addressing remaining poverty and reducing inequalities.

30. Overall, the program had positive development impacts and contributed to mitigating the negative effects of COVID-19 on the population and on the country’s economy, as intended. Hence, the program is rated *satisfactory* for development impact.

#### **F. Performance of the Borrower and the Executing Agency**

31. The performance of the Government of Kazakhstan was *satisfactory* in preparing and implementing the CPRO program. The government executed a timely and well-coordinated set of measures to prevent, control, and manage COVID-19 infections and cushion the economy and population from the adverse economic impacts triggered by the pandemic. The Ministry of Finance was the program’s executing agency, responsible for monitoring its implementation and

<sup>15</sup> In Kazakhstan, for loans from international financial institutions, internal government procedures including approval by both houses of Parliament normally take around 4 months.

<sup>16</sup> ADB. 2020. *ADB’s Comprehensive Response to the COVID-19 Pandemic*. Manila.

<sup>17</sup> Cambridge University Press. 2021. *Sustainable Development Report*. Cambridge.

reporting on its progress (centralizing all the reporting on the DMF indicators and its sex-disaggregated data requirements). The implementing agencies were the Ministry of National Economy (responsible for the overall coordination of the government's anti-crisis measures and the implementation of SME support), the Ministry of Health (responsible for implementing the health sector response), the Ministry of Labor and Social Protection of the Population (responsible for social protection and the implementation of the employment roadmap), and the Ministry of Industry and Infrastructure Development (responsible for implementing the affordable housing program). In addition, the government successfully negotiated and mobilized various modalities of support from donors and development partners, to expedite and strengthen its COVID-19 response. These included the \$750 million loan from the AIIB and technical assistance from ADB.<sup>18</sup>

32. The government successfully complied with the criteria for accessing the CPRO loan and with the loan covenants during program implementation. The Ministry of Finance effectively administered the CPRO loan proceeds and closely coordinated with ADB and other development partners. The ministry also submitted the necessary reports and shared pertinent information with ADB in line with the requirements of the loan covenants.

## **G. Performance of the Asian Development Bank**

33. The performance of ADB was *satisfactory*. At the onset of the pandemic outbreak, ADB quickly deployed the necessary financing facilities and mechanisms to respond to its DMCs' needs. As a major development partner of Kazakhstan, ADB played a significant role in convening all stakeholders in the country. At program preparation, ADB collaborated closely with the government, the IMF, World Bank, United Nations, and other development partners to help organize a comprehensive response to the COVID-19 crisis and avoid duplication of efforts. ADB also facilitated the provision of \$750 million in collaborative cofinancing from the AIIB.

34. Working remotely because of travel restrictions and working from home following the closure of ADB headquarters created some challenges, as did having to conduct business processes and comply with documentation requirements for the CPRO under immense time pressure. Nonetheless, staff and specialists from across ADB worked with government counterparts to rapidly identify DMC needs, design high-quality interventions, and process the required documentation for consideration by ADB's Board of Directors. ADB also monitored program implementation effectively and coordinated closely with the government, particularly the Ministry of Finance.

## **H. Overall Assessment**

35. Overall, the program is rated *successful*. The overall weighted average of the core criteria (relevance, effectiveness, and efficiency) is 2.3. For gender equality results, the program is rated *successful* because seven out of eight (88%) gender targets were achieved (Appendix 4).

### **Overall Ratings**

<b>Criteria</b>	<b>Rating</b>
Relevance	Highly relevant
Effectiveness	Effective
Efficiency	Efficient

<sup>18</sup> ADB. 2020. *Technical Assistance for the COVID-19 Solidarity Fund for Kazakhstan*. Manila; ADB. 2020. *Technical Assistance to the Government of Kazakhstan for the COVID-19 Emergency Response*. Manila.

Criteria	Rating
Sustainability	Not Rated. Sustainability is not an objective of the CPRO instrument.
<b>Overall Assessment</b>	Successful
Development impact	Satisfactory
Borrower and executing agency	Satisfactory
Performance of ADB	Satisfactory

ADB = Asian Development Bank, CPRO = COVID-19 Pandemic Response Option.

Source: Asian Development Bank.

### III. ISSUES, LESSONS, AND RECOMMENDATIONS

#### A. Issues and Lessons

36. The program proved to be a timely and effective means of channeling support to the Government of Kazakhstan to help it address the adverse social, health, and economic impacts of the COVID-19 pandemic. The government-led program, designed with coordinated support from various development partners, was coherent and relevant and delivered most of its intended outputs and outcomes. Several performance indicators had specific gender targets, which supported the government's efforts to deliver on its commitment to women's empowerment during a period when women were disproportionately affected by the impacts of the pandemic.

#### B. Recommendations

37. **Dedicated crisis response modality.** The CPRO was an effective crisis response tool that helped ADB respond to country requests for rapid and effective emergency assistance. ADB should either continue with the instrument or create similar instruments, with well-defined access criteria, which could be effectively deployed in response to future economic crises. The loan approval process could be further simplified to reduce the response time.

38. **Enhancing sex-disaggregated data collection and reporting.** Given the demands of the emergency on government agencies, the government was unable to collect sex-disaggregated data for (i) women and girls who benefited from more than one special support initiative of the program and (ii) frontline COVID-19 workers. The Ministry of Health did not collect and maintain such gender statistics. In the future, ADB should ensure that the relevant agency has systems in place for collecting sex-disaggregated data or that similar granular data exist within government. Technical assistance to build such systems, at least in key ministries, could be undertaken as a post-crisis initiative, considering its direct impact on informed policymaking and achievement of the Sustainable Development Goals.

39. **Loan covenants.** ADB should continue to include the existing covenants in the loan agreements, including the covenants for monitoring and reporting on program implementation, in future crisis-related programs.

40. **Timing of the program performance evaluation report.** Although the program has been completed, Kazakhstan's economy, like that of several countries, is also being impacted by the Russian invasion of Ukraine. It would be advisable to wait until the crisis triggered by the invasion ends before conducting the program performance evaluation report.

## DESIGN AND MONITORING FRAMEWORK

Impact(s) the Project is Aligned with Adverse impacts of COVID-19 on the population's health, incomes, and economic opportunities mitigated <sup>a</sup>		
Results Chain	Performance Indicators	Program Achievements
<b>Effect of the Program</b> Spread of the disease managed and of poverty contained. <sup>b</sup>	<p>a. COVID-19 confirmed cases doubling rate reaches 30 days at least by December 2020 (baseline: 7 days on average in April 2020).</p> <p>b. In 2021, poverty rate held to less than 10% (2019 baseline: 6.6% [\$5.5/day]).</p> <p>c. In 2021, independent growth forecasts for 2022–2023 are at pre-crisis levels (4%).</p> <p>d. By 2020, at least 90% of the 2.2 million poor (of which 51% are women and girls) benefited from more than one special support initiative of the program.</p>	<p><b>Achieved.</b>            As of 1 December 2020, the doubling rate was 124 days, which makes it more than 4 times higher than the target indicator.            Source: WHO.</p> <p><b>Not achieved.</b>            In 2021, the estimated poverty rate (based on purchasing power of less than \$5.5 per day) was 12.4%.            Source: World Bank  <a href="https://thedocs.worldbank.org/en/doc/d5f32ef28464d01f195827b7e020a3e8-0500022021/related/mpo-kaz.pdf">https://thedocs.worldbank.org/en/doc/d5f32ef28464d01f195827b7e020a3e8-0500022021/related/mpo-kaz.pdf</a></p> <p><b>Achieved.</b>            In 2021, real GDP growth for 2022 was forecast at 4.2%.            Source: Economist Intelligence Unit (15 December 2021)<sup>b</sup></p> <p><b>Substantially Achieved.</b>            In 2020 the collective number of beneficiaries reached 2,086,688 people. This comprised of recipients of all state support programs, including employment support and payments to disabled people. The following types of social assistance were provided to vulnerable groups of citizens:</p> <ul style="list-style-type: none"> <li>(a) food packages for socially vulnerable citizens;</li> <li>(b) reduction of utility payments for people in cities designated as quarantine zones (for the period of the State of Emergency and the lockdown);</li> <li>(c) automatic deferral of mortgage payments for borrowers of the Otbasy Bank (for three months, from 16 March to 16 June 2020);</li> <li>(d) T42,500 for people who lost income at the time of the State of Emergency (16 March to 30 April 2020) and following the lockdown (5 July to 16 October 2020); and</li> <li>(e) indexation of pensions and benefits, including targeted social assistance, by 10% in annual terms.</li> </ul> <p>It was not feasible to determine what exact percentage of the 2,086,688 people were women and girls.</p> <p>However, in 2020, there were 496,126 (or 53%) women recipients of targeted social assistance out of 936,186 beneficiaries; 239,200 (or 53%) women beneficiaries out of 448,800 registered unemployed persons; and 305,763 (or 44%) women out of 695,131 disabled people. Women</p>



Results Chain	Performance Indicators	Program Achievements
	<p>1.3 Health care for COVID-19-related hospitalization and medication remains free of charge for all citizens during 2020. (Baseline: not applicable)</p> <p>1.4 At least 1,500,000 high-risk people tested for COVID-19 by December 2020 (Baseline: 300,000 in May 2020).</p>	<p>Source:  <a href="https://www.primeminister.kz/ru/news/borba-s-koronavirusnoy-infekciy-osnashchenie-medicinskih-organizaciy-zarplatnaya-reforma-v-medsfere-razvitie-zdravooohraneniya-kazahstana-v-2020-godu-121545">https://www.primeminister.kz/ru/news/borba-s-koronavirusnoy-infekciy-osnashchenie-medicinskih-organizaciy-zarplatnaya-reforma-v-medsfere-razvitie-zdravooohraneniya-kazahstana-v-2020-godu-121545</a></p> <p>Department of Science and Human Resources of the Ministry of Healthcare of the Government of Kazakhstan letter to Ministry of Finance, № 11-1-11/33495 or 16.09.2022</p> <p>ADB. Monitoring of Implementation of COVID-19 Active Response and Expenditure Support Program (CARES). Sange Research Center. Unpublished. (TA 6623-KAZ)<sup>d</sup></p> <p><b>Achieved.</b>  Treatment and hospitalization of COVID-19 patients was free of charge and covered by public funds.  Source: MOH</p> <p><b>Achieved.</b>  By the end of 2020, more than 5 million diagnostic tests for COVID-19 were conducted, including 4.45 million at state laboratories.  Sources: MOH, WHO</p>
2. Social protection and employment protection measures implemented	<p>2.1 Income tax incentives provided for workers in service sectors most affected by the lockdown (e.g., tourism, hotels, restaurants), at least 53% of whom to be women. (Baseline: not applicable)</p> <p>2.2 Tax incentives or support provided to reestablish SMEs, at least 42% of which are owned or managed by women. (Baseline: not applicable)</p>	<p><b>Achieved.</b></p> <ul style="list-style-type: none"> <li>i. An estimated 1.3 million workers in the service sector most affected by the lockdown, of whom 58.8% are women, received incentives with respect to the payment of individual income tax and other payroll payments.</li> <li>ii. Individual income tax, social tax, and other payroll payments were paid by employers on behalf of their employees.</li> <li>iii. The tax incentive was applied to all workers in service sectors automatically without the need for individual applications.</li> </ul> <p>Source: Bureau of National Statistics (data) and <a href="https://primeminister.kz">https://primeminister.kz</a> (official website of the Prime Minister of Government of Kazakhstan on tax incentives and other measures to support SMEs and entrepreneurs)</p> <p><b>Achieved.</b></p> <ul style="list-style-type: none"> <li>i. In 2020, tax incentives or support was provided to reestablish more than 1.4 million SMEs and individual entrepreneurs. More than 43% of the SMEs were owned or managed by women.</li> <li>ii. In 2021, the number of SMEs owned or managed by women reached 638,089 (45%). 100% of both women and men SMEs received support.</li> </ul> <p>The government provided the following types of support to all business entities:</p>

Results Chain	Performance Indicators	Program Achievements
	<p>2.3 Food package distribution to socially vulnerable citizens reaches 1.1 million citizens by December 2020. (Baseline: not applicable)</p> <p>2.4 Monthly financial assistance of close to \$100 to all those that lost income because of the state of emergency reaches 4.5 million people in 2020 (including individuals that were in the informal labor market), 50% of whom are women.</p> <p>2.5 Increased social payments and social assistance to 160,000 vulnerable households, benefiting at least 50% female members in 2020.</p>	<p>(a) suspension of payments of principal amounts and interest on all SME loans;</p> <p>(b) cancellation of all fines and penalties on arrears of principal and interest;</p> <p>(c) preferential lending at a rate ranging from 6% to 8% depending on financing purpose and type of financing;</p> <p>(d) a delay of three months (up to 1 June 2020) in the payment of all types of taxes and other mandatory payments without imposition of any fines or penalties;</p> <p>(e) cancellation of payment of taxes and other payments out of payroll for 6 months (up to 1 October 2020);</p> <p>(f) suspension for a period of 3 months (up to 1 June 2020) of rental payments by SMEs for real estate owned by state bodies and state-owned enterprises;</p> <p>(g) from 1 January 2020, a moratorium on inspections of SMEs for a period of 3 years and a moratorium on tax inspections for business entities until the end of 2020.</p> <p><i>Source: Women and Men of Kazakhstan, 2016–2020. National Statistics Bureau.</i></p> <p><b>Achieved.</b> The total number of recipients of food packages amounted to 1,133,415 by December 2020. Source: MLSP</p> <p><b>Achieved.</b> The number of people who received T42,500 at least once was more than 4.6 million. The share of female recipients was 51.6%. As originally anticipated, payments were not sustained continuously on a monthly basis. This support was provided in two periods: at the time of the State of Emergency (16 March to 30 April 2020) and during the lockdown (5 July to 16 October 2020) Source: MLSP (budget implementation report)</p> <p><a href="http://www.primeminister.kz">www.primeminister.kz</a> (official website of the Prime Minister of the Government of Kazakhstan)</p> <p><b>Achieved.</b> The State Social Insurance Fund disbursed increased social payments to 936,200 people in over 184,000 vulnerable households of whom 496,100 (or 53% of the total) were women. Source: <a href="http://www.primeminister.kz">www.primeminister.kz</a> <a href="https://gfss.kz/en/">https://gfss.kz/en/</a> (SSIF official website)</p>
3. Economic stimulus delivered	3.1 Full implementation of planned volume of fiscal and quasi-fiscal measures in 2020 (8–9% of GDP). <sup>f</sup>	<p><b>Achieved.</b> The fiscal stimulus was 8.5% of GDP. (The total amount of government spending for COVID-19 fiscal and quasi-fiscal stimulus measures was T5.95 trillion (or \$14.4 billion), while GDP in 2020 reached T70.1 trillion (or \$169.8 billion)).</p>

Results Chain	Performance Indicators	Program Achievements
	3.2 At least 80% of individual entrepreneurs (of whom 52% are women) benefited from the program-supported tax and credit initiatives in 2020.	<b>Substantially Achieved.</b> The total number of individual entrepreneurs was 1,270,298 at the end of 2020. Of these, 1,133,602 (89%) worked in sectors most affected by the pandemic and received at least one type of state benefit. The number of women among the 1,133,602 was 533,947 (47%). 533,947 is 91% of the 52% target (589,473). Source: Bureau of National Statistics
	3.3 Housing finance program covers 120,000 borrowers (of whom at least 60% are women) in 2020.	<b>Partially Achieved.</b> In 2020, the housing finance program covered 51,419 borrowers, of which women constituted 59%. Source: Ministry of Industry and Infrastructure Development

DMF = design and monitoring framework, MLSP = Ministry of Labor and Social Protection, MNE = Ministry of National Economy, MOH = Ministry of Health, SSIF = State Social Insurance Fund, WHO = World Health Organization.

<sup>a</sup> ADB. 2020. *ADB's Comprehensive Response to the COVID-19 Pandemic*. Manila.

<sup>b</sup> The DMF in the report and recommendation of the President gave the Economist Intelligence Unit as the source for this data.

<sup>c</sup> To enable GOK to monitor and evaluate the CARES program, a nationwide survey was commissioned under the joint GOK-ADB KEEP Program (footnote 12) which included 2,114 respondents who are medical personnel working in the frontlines. Approximately 73% of the respondents (1,539) were women and about 27% of the respondents (575) were men. The results of the survey included among others the respondents' perception on the availability, quality, and fit/size of the PPEs provided.

<sup>d</sup> In 2013, the Government of Kazakhstan (GOK) and ADB launched a joint Knowledge and Experience Exchange Program (KEEP) to expand their partnership in supporting demand-driven and cutting-edge knowledge products, and capacity development. As per the GOK-ADB memorandum of understanding (for KEEP), ADB and GOK co-finance equally the cost of each activity under KEEP. Phase 4 of KEEP was approved on 25 November 2020 (TA 6623-KAZ). ADB. 2020. *Technical Assistance to Kazakhstan for Joint Government of Kazakhstan and the Asian Development Bank Knowledge and Experience Exchange Program, Phase 4*. Manila. <https://www.adb.org/projects/documents/kaz-54093-001-tar>. In line with the TA outcome (i.e., *state development initiatives relying on enhanced capacity and evidence-based practice effectively implemented*), Sange Research Center (Sange) was engaged to support the monitoring and implementation of the KAZ CARES program (Footnote 11). Specifically, the survey firm was to independently assess (i) the beneficiary outreach and targeting efficiency of GOK's fiscal responses; and (ii) achievement of the DMF outputs and GMM indicators. For purposes of assessing achievement, the results presented in the survey are being used as proxy indicator for estimating distribution between men and women.,

<sup>e</sup> Please refer to Endnote c. Based on the survey results, 1,314 of the respondents received wage supplements, 953 (73%) of which were women and 361 were men. Estimates for this section of the survey were based on their responses.

<sup>f</sup> The DMF in the report and recommendation of the President showed 8.9% instead of 8%-9%. This was a typographical error. Compare report and recommendation of the President, para. 6 and Table 1.

Sources: Government of Kazakhstan; Asian Development Bank.



**PROGRAM COST AT APPROVAL AND ACTUAL**  
(in millions)

<b>Item</b>	<b><u>Approved</u></b>		<b><u>Actual</u></b>	
	<b>Foreign Exchange (\$)</b>	<b>Local Currency (€)</b>	<b>Foreign Exchange (\$)</b>	<b>Local Currency (EUR)</b>
Loan 3940 (OCR)	500.0	454.3	557.3	454.3
Loan 3941 (OCR)	500.0	454.3	557.3	454.3
<b>Total</b>	1,000.0	908.6	1,114.6	908.6

Source: Asian Development Bank estimates.

**DISBURSEMENT OF ADB LOAN PROCEEDS**

(€ million)

<b>Year</b>	<b>Annual Disbursement</b>		<b>Cumulative Disbursement</b>	
	<b>Amount</b>	<b>% of Total</b>	<b>Amount</b>	<b>% of Total</b>
2020	908.6	100.0	908.6	908.6
<b>Total</b>	908.6	<b>100.0%</b>		

Source: Asian Development Bank.

## GENDER MONITORING MATRIX AND ACHIEVEMENTS

1. The program was categorized as effective gender mainstreaming. The design and monitoring framework (DMF, Appendix 1) supported a gender responsive COVID-19 anti-crisis plan, with specific measures to protect the welfare and livelihoods of women that had been agreed with the Ministry of Finance. Given that the CARES was an emergency loan, it sought to address gender aspects within the health and countercyclical fiscal measures that the government was deploying to mitigate the impact of the pandemic. Measures included provision for food security, protection from contracting the COVID-19 virus, and support to women's businesses.
2. A survey firm was engaged under TA 6623-KAZ<sup>1</sup> to (i) assess the beneficiary outreach and targeting efficiency of Government of Kazakhstan's fiscal responses; and (ii) conduct independent assessments of specific design monitoring framework outputs and gender monitoring matrix indicators, under the CARES program, covering three groups, namely: health workers, recipients of the government's social payments assistance programs, and entrepreneurs.
3. The program DMF included one gender-related outcome performance indicator and 8 gender-related output performance indicators. At program completion, the gender-related outcome performance indicator was assessed as not achieved (see also DMF in Appendix 1) because it was not possible to ascertain the percentage of women and girl beneficiaries within the 2,086,688 total beneficiaries. Seven out of 8 gender-related output performance indicators were achieved. Overall, at completion, implementation of the program's gender-related activities is considered **successful**, with 7 out of 8 (88%) gender-related output targets achieved.
4. The program's gender design effectively mitigated the pandemic's socioeconomic effects on women and girls. Tax incentives were provided to all SMEs automatically, including more than a half million women-led SMEs, more than a half million women individual entrepreneurs, and more than three-quarters of a million women working in service sectors most affected by the lockdown. More than 2.3 million women received direct financial assistance. 496,100 women received increased social assistance.
5. The gender monitoring matrix, covering the status of 8 gender-related targets, is detailed below.

Gender Performance Indicator	Achievements	Data Sources
<b>Effect of the Program: Spread of the disease managed and of poverty contained</b>		
By 2020, at least 90% of the 2.2 million poor (of which 51% are women and girls) benefited from more than one special support initiative of the program.	<p><b>Not Achieved.</b></p> <p>In 2020 the collective number of beneficiaries reached 2,086,688 people. This comprised of recipients of all state support programs, including employment support and payments</p>	

<sup>1</sup> In 2013, the Government of Kazakhstan (GOK) and ADB launched a joint Knowledge and Experience Exchange Program (KEEP) to expand their partnership in supporting demand-driven and cutting-edge knowledge products, and capacity development. As per the GOK-ADB memorandum of understanding (for KEEP), ADB and GOK co-finance equally the cost of each activity under KEEP. Phase 4 of KEEP was approved on 25 November 2020 (TA 6623-KAZ). ADB. 2020. *Technical Assistance to Kazakhstan for Joint Government of Kazakhstan and the Asian Development Bank Knowledge and Experience Exchange Program, Phase 4*. Manila. <https://www.adb.org/projects/documents/kaz-54093-001-tar>. In line with the TA outcome (i.e., *state development initiatives relying on enhanced capacity and evidence-based practice effectively implemented*), Sange Research Center (Sange) was engaged to support the monitoring and implementation of the KAZ CARES program.

Gender Performance Indicator	Achievements	Data Sources
	<p>to disabled people. Different types of social assistance were provided to vulnerable groups of citizens, such as: (a) food packages for socially vulnerable citizens; (b) reduction of utility payments for people in cities designated as quarantine zones (for the period of the State of Emergency and the lockdown); (c) automatic deferral of mortgage payments for borrowers of the Otbas Bank (for three months, from 16 March to 16 June 2020); (d) T42,500 for people who lost income at the time of the State of Emergency (16 March to 30 April 2020) and following the lockdown (5 July to 16 October 2020); and (e) indexation of pensions and benefits, including targeted social assistance, by 10% in annual terms.</p> <p>It was not feasible to determine what percentage of the 2,086,688 people were women and girls.</p> <p>Sources: MLSP (budget implementation report)</p> <p><a href="https://strategy2050.kz/ru/news/kak-izmenitsya-razmer-pensiy-s-1-aprelya-rasskazali-v-mintruda/">https://strategy2050.kz/ru/news/kak-izmenitsya-razmer-pensiy-s-1-aprelya-rasskazali-v-mintruda/</a></p> <p><a href="https://gender.stat.gov.kz/page/frontend/detail?id=98&amp;slug=-83&amp;cat_id=10&amp;lang=en">https://gender.stat.gov.kz/page/frontend/detail?id=98&amp;slug=-83&amp;cat_id=10&amp;lang=en</a></p> <p>Women and Men of Kazakhstan, 2016–2020. National Statistics Bureau.</p>	
<b>Reform Area 1: Immediate COVID-19 Health Policy Response Implemented</b>		
<p>1.1.1 Full availability of properly-sized protective equipment for health workers in the COVID-19 frontlines (70% of health workers are women, and those in the frontlines are estimated at 55%). No out-of-stock reports.</p>	<p><b>Target 1 Achieved.</b></p> <p>Health care facilities were equipped with personal protective equipment with a reserve of three months. The equipment included three-layer masks, respirators, protective suits, and other various expendable materials.</p> <p>i. MOH purchased T65.15 million worth of protective equipment for medical workers on the frontline to combat COVID-19 in 2020. Government confirms that no out-of-stock reports received from the medical facilities.</p> <p>ii. There were 76,443 health workers, of whom 55,246 were placed in the frontline to help combat COVID-19 in 2020. 70% of the total health workers were women.</p> <p>ii. Separate statistics on the number of women frontline health workers are not available. However, based on a government-commissioned nationwide survey, 73% of the medical personnel respondents who were provided protective equipment are women.<sup>a</sup></p>	<p><a href="https://gender.stat.gov.kz/page/frontend/detail?id=98&amp;slug=-83&amp;cat_id=10&amp;lang=en">https://gender.stat.gov.kz/page/frontend/detail?id=98&amp;slug=-83&amp;cat_id=10&amp;lang=en</a></p> <p>National Statistics Bureau.</p> <p><a href="https://www.stat.gov.kz/official/industry/63/statistic/8">https://www.stat.gov.kz/official/industry/63/statistic/8</a></p> <p><i>Women and Men of Kazakhstan, 2016–2020.</i> National Statistics Bureau.</p> <p>Meeting of the MOH collegium. <a href="https://primeminister.kz/ru/news/reviews/medstrahovanie-v-kazahstane-protivoepidemiologicheskie-meropriyatiya-i-nacproekt-zdorovaya-naciya-o-chem-govorili-na-kollegii-ministerstva-zdravoohraneniya-rk-883253">https://primeminister.kz/ru/news/reviews/medstrahovanie-v-kazahstane-protivoepidemiologicheskie-meropriyatiya-i-nacproekt-zdorovaya-naciya-o-chem-govorili-na-kollegii-ministerstva-zdravoohraneniya-rk-883253</a></p> <p>Department of Science and Human Resources of the Ministry of Healthcare of the Government</p>

Gender Performance Indicator	Achievements	Data Sources
1.1.2 55% of the bonuses paid to health professionals in the COVID-19 frontlines go to women.	<b>Target 2 achieved.</b> There were 55,246 health workers on the frontline to fight COVID-19 in 2020. The Government confirms payment of wage supplements amounting T116 billion, where 73% of recipients are women.. <sup>b</sup>	of Kazakhstan letter to Ministry of Finance, № 11-1-11/33495 от 16.09.2022  ADB. <i>Monitoring of Implementation of COVID-19 Active Response and Expenditure Support Program (CARES)</i> . Sange Research Center. Unpublished. (TA 6623-KAZ) <sup>c</sup>
<b>Reform Area 2: Social Protection and Employment Recovery Measures Implemented</b>		
2.1.1 Tax incentives or support to reestablish SMEs, at least 42% of which are women-owned or -managed.  2.1.2 Monthly financial assistance of close to \$100 to all those that lost income due to the state of emergency reaches 4.5 million people, 50% of whom are women.  2.2.1 Income tax incentives for workers in service sectors most affected by the lockdown (e.g., tourism, hotels, restaurants), at least 53% of whom are women.  2.2.2 Increased social payments and social assistance to vulnerable households benefiting at least 50% female members.	<b>Target 3 achieved.</b> In 2020, tax incentives or support <sup>d</sup> was provided to more than 1.4 million entities and individual entrepreneurs. In 2020 there were 1,357,311 active SMEs, of which 587,284 SMEs (43.3%) were women-led. Tax incentives were provided to all SMEs automatically.  <b>Target 4 achieved.</b> The share of female recipients among the 4.6 million people who received T42,500 at least once was 51.6%.  <b>Target 5 achieved.</b> Income tax incentives were provided to 1,282,097 workers in the service sector most affected by the lockdown, of whom 58.8% were women.  <b>Target 6 achieved.</b> The State Social Insurance Fund made social payments to 936.2 thousand people in more than 184 thousand vulnerable households among whom women were 496.1 thousand (or 53%) of the recipients.	Women and Men of Kazakhstan, 2016–2020. National Statistics Bureau.  MLSP, <a href="http://www.primeminister.kz">www.primeminister.kz</a> (official website of the office of the Prime Minister of the Government of Kazakhstan)  <a href="https://gfss.kz/en/">https://gfss.kz/en/</a> (SSIF official website)
<b>Reform Area 3: Anti-Crisis Response Plans Delivered in Totality</b>		
3.1.1 At least 80% of individual entrepreneurs (o/w 52% are women) benefited from the tax and credit initiatives under the program.  3.2.1 Housing finance program to cover (in at least 60%) women borrowers.	<b>Target 7 achieved.</b> The total number of individual entrepreneurs was 1,270,298 at the end of 2020. Of these, 1,133,602 (89%) worked in sectors most affected by the pandemic and received at least one type of state benefit. The number of women entrepreneurs among the 1,133,602 was 533,947 (or 47%), which is 91% of the target of 589,473 women beneficiaries.  <b>Target 8 not achieved.</b> The housing finance program covered 51,419 borrowers in 2020, including 30,298 women borrowers (59%). The target was not fully met because of delays in delivery of new housing by construction companies engaged in the	Women and Men of Kazakhstan, 2016–2020. National Statistics Bureau.  Ministry of Industry and Infrastructure Development

Gender Performance Indicator	Achievements	Data Sources
	housing program. Specifically, problems with delays were associated with the introduction of pandemic restrictive measures.	

ADB = Asian Development Bank, COVID-19 = coronavirus disease, MNE = Ministry of National Economy, MIID = Ministry of Industry and Infrastructural Development, MOF = Ministry of Finance, MOH = Ministry of Healthcare, MOLSP = Ministry of Labour and Social Protection of the Population, SME = small or medium enterprise.

- <sup>a</sup> To enable GOK to monitor and evaluate the CARES program, a nationwide survey was commissioned under the joint GOK-ADB KEEP Program (footnote 12) which included 2,114 respondents who are medical personnel working in the frontlines. Approximately 73% of the respondents (1,539) were women and about 27% of the respondents (575) were men. The results of the survey included among others the respondents' perception on the availability, quality, and fit/size of the PPEs provided.
- <sup>b</sup> Please refer to Endnote c. Based on the survey results, 1,314 of the respondents received wage supplements, 953 (73%) of which were women and 361 were men. Estimates for this section of the survey were based on their responses.
- <sup>c</sup> In 2013, the Government of Kazakhstan (GOK) and ADB launched a joint Knowledge and Experience Exchange Program (KEEP) to expand their partnership in supporting demand-driven and cutting-edge knowledge products, and capacity development. As per the GOK-ADB memorandum of understanding (for KEEP), ADB and GOK co-finance equally the cost of each activity under KEEP. Phase 4 of KEEP was approved on 25 November 2020 (TA 6623-KAZ). ADB. 2020. *Technical Assistance to Kazakhstan for Joint Government of Kazakhstan and the Asian Development Bank Knowledge and Experience Exchange Program, Phase 4*. Manila. <https://www.adb.org/projects/documents/kaz-54093-001-tar>. In line with the TA outcome (i.e., *state development initiatives relying on enhanced capacity and evidence-based practice effectively implemented*), Sange Research Center (Sange) was engaged to support the monitoring and implementation of the KAZ CARES program (Footnote 11). Specifically, the survey firm was tasked to (i) assess the beneficiary outreach and targeting efficiency of GOK's fiscal responses; and (ii) conduct independent assessments of specific DMF outputs and GMM indicators. For purposes of assessing achievement, the results presented in the survey are being used as proxy indicator for estimating distribution between men and women.
- <sup>d</sup> The various types of support are listed under Program Achievements for Performance Indicator 2.2 in the DMF (Appendix 1).

Source: Asian Development Bank.

## STATUS OF COMPLIANCE WITH LOAN COVENANTS

<b>Covenant</b>	<b>Reference in Loan Agreements</b>	<b>Status of Compliance</b>
Section 3.01 The Borrower shall cause the proceeds of the Loans to be applied to the financing of expenditures for the Program in accordance with the provisions of this Loan Agreement.	Art. III, Use of the Proceeds of the Loan	Complied with.
Section 3.02. The proceeds of the Loans shall be withdrawn in accordance with the provisions of Schedule 3 to this Loan Agreement, as such Schedule may be amended from time to time by agreement between the Borrower and ADB.	Art. III, Use of the Proceeds of the Loan	Complied with.
Section 4.01. The Borrower shall cause the Program to be carried out with due diligence and efficiency and in conformity with sound administrative, financial, public policy, social, and governance practices.	Art. IV, Particular Covenants	Complied with.
Section 4.02. In the carrying out of the Program, the Borrower shall perform, or cause to be performed, all obligations set forth in Schedule 4 to this Loan Agreement.	Art. IV, Particular Covenants	Complied with.  See below itemized compliance for Schedule 4 provisions.
Section 4.03. The Borrower shall ensure that the activities of its departments and agencies with respect to the carrying out of the Program are conducted and coordinated in accordance with sound administrative policies and procedures.	Art. IV, Particular Covenants	Complied with.
Section 4.04. As part of the information and reports referred to in Sections 7.01 and 7.04 of the Loan Regulations, the Borrower shall furnish, or cause to be furnished, to ADB all such reports and information as ADB shall reasonably request concerning (i) the Counterpart Funds and the use thereof; and (ii) the implementation of the Program, including the accomplishment of the targets and carrying out of the actions set out in the Policy Letter.	Art. IV, Particular Covenants	Complied with.
Para. 2. An application for withdrawal from the Loan Account for Loan 1 or Loan Account for Loan 2, as the case may be, shall be submitted to ADB by the Borrower and shall be in a form satisfactory to ADB.	Schedule 3, Withdrawal of Loan Proceeds	Complied with.  Complete and correct withdrawal application forms were submitted.
Para. 3 (a) Prior to submitting the first application to ADB for withdrawal from the Loan Account for Loan 1 or the Loan Account for Loan 2, as the case may be, the Borrower shall nominate an account (Deposit Account) at NBK into which all withdrawals from the Loan Account for Loan 1 or the Loan Account for Loan 2, as the case may be, shall be deposited. The Deposit Account shall be established, managed and liquidated in accordance with the applicable regulations and procedures of the Borrower.	Schedule 3, Withdrawal of Loan Proceeds	Complied with.
Para. 3 (b) Separate accounts and records in respect of the Deposit Account shall be maintained in accordance with accounting principles acceptable to ADB. Upon	Schedule 3, Withdrawal of Loan Proceeds	Complied with.  No such request was made by ADB.

Covenant	Reference in Loan Agreements	Status of Compliance
ADB's request, the Borrower shall have the financial statements for the Deposit Account, in respect only of the proceeds of the Loans, audited by independent auditors, whose qualifications, experience and terms of reference are acceptable to ADB, in accordance with international standards for auditing or the national equivalent acceptable to ADB. Promptly after their preparation but in any event not later than 6 months after the date of ADB's request, copies of such audited financial statements and the opinion of the auditors on the financial statements, in the English language, shall be furnished to ADB.		
Para. 1 The Borrower, through the Program Executing Agency, shall be responsible for implementation of the Program, including monitoring and reporting the implementation of the Program.	Schedule 4, Program Implementation and Other Matters	Complied with.
Para. 2 The Borrower, through the Program Executing Agency, shall promptly discuss with ADB, problems and constraints encountered during the Program implementation and appropriate measures to overcome and mitigate such problems and constraints.	Schedule 4, Program Implementation and Other Matters	Complied with.  The Borrower did not encounter any major problems or constraints during the Program's implementation.
Para. 3 The Borrower, through the Program Executing Agency, shall keep ADB informed of policy discussions with other multilateral and bilateral aid agencies that may have implications for the implementation of the Program and shall provide ADB with an opportunity to comment on any resulting policy proposals. The Borrower, through the Program Executing Agency, shall take into account ADB's views before finalizing and implementing any such proposal.	Schedule 4, Program Implementation and Other Matters	Complied with.
Para. 4 The Borrower shall ensure that the Counterpart Funds are used to finance the implementation of certain programs and activities consistent with the objectives of the Program.	Schedule 4, Program Implementation and Other Matters	Complied with.
Para. 5 The Borrower shall (a) comply with ADB's Anticorruption Policy (1998, as amended to date) and acknowledge that ADB reserves the right to investigate directly, or through its agents, any alleged corrupt, fraudulent, collusive or coercive practice relating to the Program; and (b) cooperate with any such investigation and extend all necessary assistance for satisfactory completion of such investigation.	Schedule 4, Program Implementation and Other Matters	Complied with.
Para. 6 The Borrower, through the Program Executing Agency, shall monitor, provide quarterly reports until 6 months after the Effective Date, and engage in dialogue with ADB throughout the implementation period of the Program, including on: (a) macroeconomic and financial sector conditions, (b) implementation of anti-crisis measures under the Borrower's COVID-19 response plan, (c) budget	Schedule 4, Program Implementation and Other Matters	Complied with.  Two reports, for the 1 <sup>st</sup> and 2 <sup>nd</sup> quarters (6 months), after the Effective Date were provided to ADB.



Covenant	Reference in Loan Agreements	Status of Compliance
execution, expenditures and flow of funds, and (d) activities and expenditures made from the state budget to support the countercyclical measures, including expenditures on health response activities, social protection and employment recovery measures, and economic stimulus measures; and (e) tracking of beneficiaries of social assistance programs with gender indicators (with sex-disaggregated data).		
Para. 7 Within 6 months after the Loan Closing Date, the Borrower, through the Program Executing Agency, shall submit to ADB a Program completion report that assesses the status of the Program's implementation and achievement of its expected effects based on the indicators agreed with ADB.	Schedule 4, Program Implementation and Other Matters	Complied with.  A completion report covering 2020 and 2021 was provided to ADB in June 2022.

ADB = Asian Development Bank, COVID-19 = coronavirus disease.

Sources: Government's program completion report; Asian Development Bank.